

Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00 DOTE-00

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TO AMEMBASSY LONDON IMMEDIATE

AMEMBASSY BONN IMMEDIATE

INFO AMEMBASSY PARIS

AMEMBASSY MOSCOW

USMISSION NATO

USMISSION USBERLIN

C O N F I D E N T I A L STATE 261821

E.O. 11652: GDS

TAGS: PFOR, EAIR, UK, US, WB

SUBJECT: CIVAIR - US-UK AIR SERVICES TALKS, NOVEMBER 5-7

REF: A.) STATE 258732 B.) BONN 17859 C.) BONN 16258

1. UK EMBASSY OFFICER (CORNISH) INFORMED DEPARTMENT (EUR/CE) NOVEMBER 4 THAT THE BRITISH AGREED NOT TO RAISE EITHER THE IGS FARE INCREASE OR THE QUESTION OF BERLIN-LONDON CHARTERS DURING FORMAL SESSIONS OF THE US-UK BILATERAL TALKS THIS WEEK. UK REPS WOULD, HOWEVER, PRESENT BRITISH POSITIONS ON THE QUESTIONS INFORMALLY OUTSIDE OF THE OFFICIAL SESSIONS. CORNISH SAID THE UK SIDE UNDERSTOOD THAT US DELEGATION MEMBERS WOULD NOT BE IN A POSITION TO RESPOND TO BRITISH PRESENTATIONS ON BERLIN
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MATTERS.

2. CORNISH SAID THAT IN RETURN FOR BRITISH AGREEMENT NOT TO RAISE THE MATTERS BILATERALLY, THE UK ASKED THAT THE US NOW AGREE TO MOVE ACCORDING TO A SET TIMETABLE TOWARDS FORMAL CONSIDERATION OF THE IGS FARE INCREASE. HE SAID HIS AUTHORITIES FELT THAT RECENT FUEL PRICE INCREASES NOW MADE A FARE INCREASE MORE NECESSARY THAN EVER. NOTING THAT LUFTHANSA HAD RECENTLY RAISED FARES BY NINE PERCENT, CORNISH SAID THE UK THOUGHT SOMETHING OF THIS ORDER WOULD ALSO BE APPROPRIATE FOR THE IGS.

3. DEPARTMENT OFFICER REMINDED CORNISH THAT WE HAD ALWAYS BEEN READY TO DISCUSS THE QUESTION OF A FARE INCREASE, BUT THAT OUR IMPRESSION RECENTLY HAD BEEN THAT THE UK WAS NOT PUSHING THE QUESTION. CORNISH SAID HIS PERSONAL IMPRESSION WAS ALSO THAT THE BRITISH SIDE HAD NOT BEEN SUFFICIENTLY ENERGETIC IN PURSUING ITS CASE, BUT THAT NOW INSTRUCTIONS HAD COME FROM LONDON TO PUSH THE MATTER. DEPARTMENT OFFICER SAID WE CONTINUED TO BE WILLING TO HOLD DISCUSSIONS IN BONN, BUT THAT QUESTION OF SET TIMETABLE DEPENDED ON ABILITY OF CAA'S, AND ESPECIALLY UK CAA, TO ASSEMBLE NECESSARY DATA.

4. IT WAS AGREED THAT US AND UK CAA'S SHOULD ASSEMBLE NECESSARY DATA AND PRESENT CASE FOR OR AGAINST FARE INCREASE. CORNISH SAID THAT IF CONSIDERATION IN BONN RESULTED IN NEGATIVE DECISION BY US ON FARE INCREASE, THE UK WOULD PROBABLY TAKE THE MATTER TO A HIGHER LEVEL. WHEN REMINDED OF OUR SKEPTICISM CONCERNING A FARE INCREASE, CORNISH SAID THAT THE UK WOULD ALSO BE WILLING TO CONSIDER ASKING FOR AN INCREASE IN THE SUBSIDY AS A SOLUTION TO BA'S FINANCIAL PROBLEMS.

5. CONCERNING PAN AM CHARTERS TO LONDON, CORNISH SAID THE UK AGREED THAT THIS PROBLEM SHOULD ALSO BE HANDLED IN BONN. HE EXPLAINED THE UK'S REFUSAL TO APPROVE PAN AM'S REQUEST FOR THE ENTIRE MONTH OF NOVEMBER ON THE GROUNDS OF TIMING. HE SAID PAN AM USUALLY GAVE NOTICE OF ITS PLANS QUITE FAR IN ADVANCE, BUT THIS TIME HAD WAITED UNTIL THE END OF OCTOBER TO FILE FLIGHTS FOR

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NOVEMBER. THIS HAD CAUGHT UK AUTHORITIES OFF GUARD. SINCE THE NEXT MEETING OF THE REVIEW BOARD ON CHARTER REQUESTS WAS NOT UNTIL NOVEMBER 11, IT HAD BEEN DECIDED TO GIVE PROVISIONAL APPROVAL TO THE FLIGHTS FOR EARLY NOVEMBER AND TO CONSIDER THE OTHERS AT THE NOVEMBER 11 MEETING.

6. ACTION REQUESTED: EMBASSY CAA SHOULD COOPERATE WITH

UK COLLEAGUE IN ASSEMBLING NECESSARY SUPPORTING DATA FOR
FARE INCREASE APPLICATION. WHILE WE AGREE WITH EMBASSY
CONCLUSION (REF (C)) THAT IDEALLY DECISION ON FARE
INCREASE SHOULD BE DELAYED AS LONG AS POSSIBLE, WE
BELIEVE OUR OVERALL INTEREST IN MAINTAINING BA
PARTICIPATION IN THE IGS REQUIRES THAT WE CONTINUE EFFORTS
TO PUT TOGETHER DATA NECESSARY FOR A DECISION, ONE WAY
OR ANOTHER. KISSINGER

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